

M I N U T E S
SCOTTSDALE CITY COUNCIL
CITY COUNCIL MEETING
Monday, February 3, 2003

**The Kiva
City Hall
Scottsdale, Arizona**

**MINUTES
SCOTTSDALE CITY COUNCIL
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Monday, February 3, 2003**

CALL TO ORDER (IN CITY HALL KIVA FORUM)

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Monday, February 3, 2003 in the Kiva, City Hall, at 5:06 P.M.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor David Ortega
Council Members Tom Silverman, Robert Littlefield, Wayne Ecton, and
Cynthia Lukas

Also Present: City Manager Jan Dolan
City Attorney David Pennartz
Deputy City Clerk Carolyn Jagger

Absent: Councilman Ned O'Hearn

Pledge of Allegiance

Girl Scout Troop 227 from Pima and Yavapai Schools led the audience in the Pledge of Allegiance.

Invocation

A.J. Stock of the First Church of Christ Scientist in Scottsdale offered the invocation.

Moment of Silence

A moment of silence was observed for the victims of the February 1st Columbia space shuttle tragedy.

Boards, Commissions and Committees

Before nominations for each commission, Vice Mayor Ortega briefly identified the appropriate commission and its purpose along with any special qualifications for the vacant position(s).

Environmental Quality Advisory Board (2)

Vice Mayor Ortega opened the floor for nominations.

Councilman Silverman nominated Brian Munson
Mayor Manross nominated Don Manthe

With no further nominations, Vice Mayor Ortega closed the floor for nominations.

Don Manthe was reappointed and **Brian Munson** was appointed to the Environmental Quality Advisory Board by a unanimous vote.

Housing Board (2)

Vice Mayor Ortega opened the floor for nominations.

Vice Mayor Ortega nominated Jeffrey Burg
Councilman Ecton nominated Steve Capobres

With no further nominations, Vice Mayor Ortega closed the floor for nominations.

Jeffrey Burg and **Steve Capobres** were unanimously appointed to the Housing Board.

McDowell Sonoran Preserve Commission (2)

Vice Mayor Ortega opened the floor for nominations.

Councilwoman Lukas nominated Solange Whitehead
Mayor Manross nominated Laura Fisher

With no further nominations, Vice Mayor Ortega closed the floor for nominations.

Solange Whitehead and **Laura Fisher** were unanimously appointed to the McDowell Sonoran Preserve Commission.

Neighborhood Enhancement Commission (1)

Vice Mayor Ortega opened the floor for nominations.

Councilwoman Lukas nominated Heidi Pierce
Mayor Manross nominated John Horwitz

With no further nominations, Vice Mayor Ortega closed the floor for nominations.

John Horwitz was appointed to the Neighborhood Enhancement Commission by a majority vote.

Public Comment

Gladys Olson, 7312 E. Palm Lane, submitted several pages of petitions signed by citizens who would like to see senior housing on the Smitty's site. The citizens expressed shock that Council didn't want senior housing close to the senior center. She felt that providing senior housing on the site would give the Council an opportunity to have an impact on the area for the next 50 years. She stated her belief that single-family housing is not compatible with the senior center site and that senior housing should be included on the site. She noted that she recently sent Council members a letter stating her concerns. She also recently placed a request with the Clerk's office to receive mobile phone bills for Ned O'Hearn, Tom Silverman, Wayne Ecton, and Robert Littlefield from July through January of this year.

Jodi Daulsen, 8630 E. Dianna Drive, explained that the citizens of Scottsdale are furious about Council's rejection of senior housing on the former Smitty's site. She presented 458 signatures on petitions

opposing Council's decision and requested copies for her records. She requested that Council place the item on the agenda for reconsideration. She felt the current proposal only benefits Trend Homes. She reminded Council that they are an elected body and warned that, if they uphold their position, people will remember.

Norwood Sisson, 7431 E. Portland, requested that Council explain their policy on public comment concerning consent agenda items.

Minutes

SPECIAL MEETING - January 14, 2003

Councilwoman Lukas noted that she had an addition to the January 14, 2003 minutes on page 16 under Council Items. She requested that the words "in the area" be added to clarify the following sentence, "Councilwoman Lukas also requested an update from staff on the McDowell Road Beautification Project and any other revitalization projects".

COUNCILWOMAN LUKAS MOVED TO APPROVE THE SPECIAL MEETING MINUTES OF JANUARY 14, 2003 WITH THE REQUESTED REVISION. VICE MAYOR ORTEGA SECONDED THE MOTION WHICH CARRIED 6/0.

CONSENT AGENDA

1. RA Sushi Bar Restaurant Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license.

Location: 3815 N Scottsdale Road

Reference: 101-LL-2002

Staff Contact(s): Jeff Fisher, Development Services Director, 480-312-7619, jefisher@ScottsdaleAZ.gov

2. REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 7

3. Roys Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license.

Location: 7001 N Scottsdale Rd

Reference: 103-LL-2002

Staff Contact(s): Jeff Fisher, Development Services Director, 480-312-7619, jefisher@ScottsdaleAZ.gov

4. Grocery Station Liquor License

Request: To consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 9 (liquor store) State liquor license.

Location: 10810 E Via Linda

Reference: 104-LL-2002

Staff Contact(s): Jeff Fisher, Development Services Director, 480-312-7619, jefisher@ScottsdaleAZ.gov

5. X-Tapa Joes Mexican Food Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license.

Location: 7500 E Pinnacle Peak Road

Reference: 105-LL-2002

Staff Contact(s): Jeff Fisher, Development Services Director, 480-312-7619, jefisher@ScottsdaleAZ.gov

6. REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 8

7. REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 9

8. REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 10

9. REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 11

10. Arizona Department of Transportation (ADOT) Airport Development Grant No. E3S12 for \$225,000.

Request: Adopt Resolution No. 6233, authorizing Intergovernmental Agreement (IGA) No. 2003-008-COS accepting ADOT Airport Development Grant No. E3S12 for \$225,000 to design Airport capital projects. The grant will allow the Airport to design various future airport projects including runway safety area improvements, apron rehabilitations, and phase 2 of the perimeter road. Construction of these projects will commence in future years based on availability of grant funding from the Federal Aviation Administration (FAA) and ADOT and availability of matching Aviation Enterprise funds. The grant budget total is \$225,000. The grant requires the Aviation Enterprise fund to match 10% of the total project cost or \$22,500. The grant was anticipated and matching funds are included in the approved FY 2002/03 Airport Grants Budget.

Staff Contact(s): Scott T. Gray, Aviation Director, (480) 312-7735, sgray@ScottsdaleAZ.gov

COUNCILMAN SIVLERMAN MOVED TO APPROVE ITEMS 1, 3, 4, 5, AND 10.
COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/0.

ITEMS REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION

11. Architectural Services Contract for design services for new Adult/Senior Center (McDowell and Granite Reef Roads)

Request: Authorize Architectural Services Contract No. 2003-006-COS with Gabor Lorant Architects, Inc. in the amount of \$709,842.00 for the design of the new Adult/Senior Center to be located at the northwest corner of McDowell and Granite Reef Roads.

Staff Contact(s): Corey E. Lew, Project Manager, (480) 312-7769, clew@ScottsdaleAZ.gov

Mayor Manross opened public testimony.

Walter Von Brucker, P.O. Box 12214, explained that he is an architect and developer of affordable senior housing. He expressed concern over the plans that were submitted to the city

regarding the former Smitty's site. He stated his belief that the design of the senior center is fine; however, there is no master plan to determine how the housing relates to the senior center. He requested that staff re-review the plan. He stated his opposition to the direction the Council is going with this project.

Mayor Manross closed public testimony.

Mayor Manross confirmed that the project must be designed as a unit since the infrastructure must be shared.

Corey Lew explained the importance of getting the architect on board now to assist with the site plan for the senior center and to work with the developer.

Vice Mayor Ortega stated his belief that Mr. Von Brucker had a strong point. He stated his opposition to the Trend proposal that was approved by Council since he felt there are significant conflicts in circulation and scale. He pointed out design plans that he felt were never part of the discussions with the neighborhood. He explained that the Trend plan allows owners of the units to use the proposed pool; however, has no interaction with the senior center. He stated his belief that the proposed units are designed with garages on the ground level, a live-in kitchen on the second level, and bedrooms on the third floor. He pointed out that this is the environment that the city is asking the senior center architects to design around. He felt it is inappropriate and questioned if it is prudent to hire an architect when the center has been smothered with three-story buildings.

Vice Mayor Ortega pointed out that currently over 280 senior volunteers work at the Civic Center senior center. He explained that the majority of the seniors would have to drive to the center; therefore, parking would be required. He explained his belief that there are a lot of flaws in the Trend proposal.

Vice Mayor Ortega stated that the plan cost the city \$350,000 since it reimbursed the city less money than the RED Group plan. He explained that the contract to design the senior center totals \$700,000, which could have been offset by the additional \$350,000 that would have been received by approval of the RED Group's plan.

Vice Mayor Ortega questioned why it is so difficult to consider seniors and provide housing so they can move close to the senior center. He acknowledged, however, that continuing this item would do more harm than good to the senior center.

Mayor Manross pointed out that tonight's action would be for the design of the senior center only; however, the architects must work closely with the other architects and developer. She noted that she was also very disappointed in the outcome of the vote last week when Council approved the Trend proposal; however, the project must move forward. She noted that she has met with the Trend group and they have indicated that they are willing to make changes to their design. She urged them to move forward with their proposed changes.

Councilman Silverman explained his opinion that it makes sense to get the architect on board to work with the developer and ensure that someone is looking out for the city.

Councilman Littlefield expressed his belief that citizens hate indecisiveness. He stated that the city sat on the Smitty's site for years before sending out an RFP (request for proposal) last year.

He pointed out that Council made a decision about two weeks ago; therefore, must move forward tonight by making a decision regarding an architect.

Mayor Manross clarified that the city has been actively working on the project since the day the city purchased the site. She pointed out, that according to State and Federal law, there was a lot of environmental work that had to be completed before the city could develop the property.

Councilwoman Lukas explained that she, too, preferred another housing developer. She felt it is important that the site plan be developed with a good relationship between the senior center and the housing. She agreed that the city is committed to building the senior center and felt that it must be completed as quickly as possible.

Councilman Ecton explained that although he respects Vice Mayor Ortega's opinion, there are obviously other opinions. He expressed his belief that when the city sent out the RFP, there was no specific direction that the site had to be molded around seniors. He explained that he is sure Trend will work with the city.

Vice Mayor Ortega explained that citizens are indicating that the choice of developers may be placed on the ballot for decision since they are unhappy with Council's choice. He wanted it on the record that he gives the present Trend plan less than a 25% chance of being approved. He asked that the architect take that into consideration when designing the senior center.

VICE MAYOR ORTEGA MOVED TO AUTHORIZE ARCHITECTURAL SERVICES CONTRACT NO. 2003-006-COS WITH GABOR LORANT ARCHITECTS, INC. IN THE AMOUNT OF \$709,842.00 FOR THE DESIGN OF THE NEW ADULT/SENIOR CENTER TO BE LOCATED AT THE NORTHWEST CORNER OF MCDOWELL AND GRANITE REEF ROADS. COUNCILMAN ECTON SECONDED THE MOTION WHICH CARRIED 6/0.

2. Parada Hall Liquor License

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 6 (bar) State liquor license.

Location: 7303 E Earll Dr

Reference: 102-LL-2002

Staff Contact(s): Jeff Fisher, Development Services Director, 480-312-7619, jefisher@ScottsdaleAZ.gov

Councilman Ecton explained that information in the Council Action Report and in the application seemed to be conflicting regarding the type of business that will be operated with the license. Mr. Fisher explained that under state statutes for a series 6 license, the business is required to be listed as a bar and/or nightclub. He confirmed that the Council Action Report indicates that the intent is to operate the facility as a convention center and meeting hall.

Councilman Ecton wondered if a stipulation could be applied to Council's favorable recommendation to ensure that the business is only used as an auction house and meeting room. Attorney Pennartz explained that on a liquor license application, the Council is in the role of making a recommendation to the state on whether to grant the license or deny it. It is not like a zoning case where the city has the final decision and can add stipulations. The Council does not have the ability to add stipulations for a state liquor license application.

Councilman Ecton stressed that he doesn't want to see the business converted into a bar and nightclub. He questioned if the business has a second floor and a business plan for it. He expressed concern that the owner may want to convert the space to a bar in the future since off-site parking could be acquired. Mr. Fisher confirmed that there is a second floor; however, it is not completed at this time and is designated as storage.

Randy Grant clarified that given the parking currently existing on the site; the business would be limited in any conversion to about 20% of the building area.

Councilman Littlefield requested information detailing the impact of an unfavorable recommendation being sent to the state from the city. Attorney Pennartz explained that the state would be required to hold a hearing if the city forwarded a recommendation for denial; however, they could approve it anyway. It is also important to note that the zoning is C-3, which would allow bars and nightclubs.

Vice Mayor Ortega noted that part of the applicant's business plan is to serve some of the hotels already located in the area. He stated that there are at least three hotels in the area without banquet facilities on site. He felt this type of business would be mutually beneficial to the current situation.

VICE MAYOR ORTEGA MOVED TO FORWARD A FAVORABLE RECOMMENDATION TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL FOR A SERIES 6 (bar) STATE LIQUOR LICENSE. COUNCILWOMAN LUKAS SECONDED THE MOTION, WHICH WAS DENIED 3/3 (T.S., W.E., R.L.).

6. Barcelona Liquor License and Permanent Extension for Patio Addition

Request: Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension or premises for an existing restaurant/bar.

Location: 15440 N Greenway-Hayden Loop

Reference: 27-EX-2002

Staff Contact(s): Jeff Fisher, Development Services Director, 480-312-7619, jefisher@ScottsdaleAZ.gov

Mayor Manross opened public testimony.

Wendy Schwingel, 15501 N. Dial Boulevard, spoke as a representative for the Dial Corporation. She explained that Dial Corporation is the applicant's eastern most neighbor. She noted that the site was not posted; therefore, Dial received no advance warning of the proposed action. She explained that the applicant has an agreement with the Dial Corporation to communicate changes in the operation of the business. She expressed Dial's opposition to the extension of the patio.

Mayor Manross closed public testimony.

Mayor Manross requested a response from staff as to whether posting requirements were followed. Mr. Fisher explained that posting is not required for extensions of premises. He clarified that there was a Development Review case associated with this case. Staff has had some conversations with Ms. Schwingel and other representatives of the Dial Corporation when the patio was approved and the application was processed in December.

Councilman Ecton explained that he spoke with a representative of Dial and made the corporation aware of the proposal. They were not informed and were disappointed that they weren't brought up-to-date on this proposal.

Mayor Manross explained that there was no intention to "snub" the Dial Corporation. She surmised that staff thought this was a routine request; therefore, it wouldn't be an issue.

Councilwoman Lukas questioned if the off-site parking problem has been resolved. Randy Grant explained that the concerns were relative to the portion of the parking lot at the southern end of the site next to the building. Since the complaints were received, the northern portion of the parking lot was constructed. He noted that there have been no additional complaints about parking since the addition.

In response to questions from Councilman Littlefield, Ms. Schwingel explained that first and foremost, Dial's objection to the proposal stemmed from the lack of communication. Due to the additional information presented tonight indicating that the patio won't be physically extended, Dial is disappointed but not opposed to the request.

VICE MAYOR ORTEGA MOVED TO FORWARD A FAVORABLE RECOMMENDATION TO THE ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL FOR A PERMANENT EXTENSION OR PREMISES FOR AN EXISTING RESTAURANT/BAR. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/0.

7. Outside Counsel Contract for Cahill, Von Hellens & Glazer law firm.

Request: Adopt Resolution No. 6140 authorizing the Mayor to execute Contract for Legal Services, No. 970079A, with the law firm of Cahill, Von Hellens & Glazer, for the provision of legal services in connection with the City's intellectual property issues, including patents and trademarks.

Related Policies, References: Resolution No. 6140.

Staff Contact(s): Donna M. Bronski, Deputy City Attorney, (480) 312-2405, dbronski@ScottsdaleAZ.gov

Mayor Manross opened public testimony.

Marion Murray, (no address given), expressed her belief that, historically, the city has not monitored expenses for outside counsel and cited a past case to illustrate her point. She felt that if people are not held responsible for what they have done in the recent past, the incidents would reoccur. She explained that she has expressed her opinion in the past that the city must hire more specialists. She felt that the facts involved in the legal issues and the dollar figure of the contracts should be public information. She expressed her belief that the city should not allow subcontracting and investigation clauses.

Norwood Sisson, 7431 E. Portland, stated his approval that this contract has a \$50,000 limit so it is not a blank check.

Mayor Manross closed public testimony.

Attorney Pennartz explained that staff has started reviewing information concerning the legal case mentioned by Ms. Murray per citizens' requests. He noted that if staff finds any wrongdoing, appropriate action would be taken to protect the city's interest. He stated that staff has closely

monitored outside legal counsel since he has been with the city. He explained that he has brought two-thirds of the litigation in-house. Although the city does have some in-house expertise in specialty areas, the city must still request advice from outside counsel on other issues. He pointed out that it would not be cost effective to hire personnel with expertise that is seldom used.

He assured everyone that this is an area of expense that staff watches very closely and reports regularly to Council.

Councilman Ecton explained that he has discussed the issues with Attorney Pennartz. Attorney Pennartz assured him that he has looked at these issues closely and that he will monitor how the money is spent.

In response to additional questions from Councilman Littlefield, Attorney Pennartz explained that the financial department is assisting his department in reviewing the expenditures of the previously mentioned case. He did not know how long the review would take; however, noted that he plans on moving forward as quickly as possible. He explained that once the review is complete, the results would be communicated to Council.

COUNCILWOMAN LUKAS MOVED TO ADOPT RESOLUTION NO. 6140 AUTHORIZING THE MAYOR TO EXECUTE CONTRACT FOR LEGAL SERVICES, NO. 970079A, WITH THE LAW FIRM OF CAHILL, VON HELLENS & GLAZER, FOR THE PROVISION OF LEGAL SERVICES IN CONNECTION WITH THE CITY'S INTELLECTUAL PROPERTY ISSUES, INCLUDING PATENTS AND TRADEMARKS. VICE MAYOR ORTEGA SECONDED THE MOTION WHICH CARRIED 6/0.

8. Authorize Continuing Outside Legal Contract

Request: Authorize the City's Risk Management Division to award a contract to the law firm of Udall, Shumway & Lyons, P.C., to represent and defend the City of Scottsdale against selected claims and litigation for damages. Attorneys fees in excess of \$50,000 would require City Council review and approval.

Related Policies, References: This contract allows Risk Management, in conjunction with the City Attorney's Office, to timely assign defense of selected lawsuits in accordance with the firm's appropriate expertise and experience.

Staff Contact(s): David Pennartz, (480) 312-2405, dpennartz@scottsdaleaz.gov; Mike Mason, (480) 312-7040, mmason@scottsdalaz.gov

Mayor Manross opened public testimony.

Norwood Sisson, 7431 E. Portland, stated his opinion that this is financial mismanagement. He noted that the contract has a limit of \$50,000 per case without City Council review; however, there is no limit on the number of cases or the total expenditure.

Mayor Manross closed public testimony.

Attorney Pennartz explained that the contract is with the city's Risk Management Division with the fees being paid out of the Risk Management Loss Trust Fund. This is a version of award that the Council and Risk Management have historically used for attorneys that will be paid out of the fund. There is a limit of \$50,000 per case. He pointed out that the contracts are annual contracts

with Council receiving a report annually on the trust fund and expenditures. He stated that Council could obviously provide direction for staff to take a different tack annually if they chose to do so.

VICE MAYOR ORTEGA MOVED TO AUTHORIZE THE CITY'S RISK MANAGEMENT DIVISION TO AWARD A CONTRACT TO THE LAW FIRM OF UDALL, SHUMWAY & LYONS, P.C., TO REPRESENT AND DEFEND THE CITY OF SCOTTSDALE AGAINST SELECTED CLAIMS AND LITIGATION FOR DAMAGES. ATTORNEYS FEES IN EXCESS OF \$50,000 WOULD REQUIRE CITY COUNCIL REVIEW AND APPROVAL. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/0.

9. Public Defender Services for City Court

Request: Authorize Professional Service Contract No. 2003-015-COS with Jeffery Van Norman, No. (2003-016-COS withdrew), No. 2003-017-COS with Sylvina Daly Coto, No. 2003-018-COS with Thomas Parascandola, No. 2003-019-COS with Robert Campos, and No. 2003-020-COS with Roger Margolis to provide legal counsel for criminal defense representation of indigent and quasi-indigent defendants in the Scottsdale City Court.

Related Policies, References: The United States Constitution, the Arizona Constitution, and the Rules of Criminal Procedure for the State of Arizona, Section III Rights of Parties, Rule 6- Attorneys, Appointment of Counsel.

Staff Contact(s): Daniel W. Edwards, Deputy Court Administrator, (480)-312-3092, dwedwards@scottsdaleaz.gov

Mayor Manross opened public testimony.

Norwood Sisson, 7431 E. Portland, explained that he was happy to see that there is a maximum contract amount proposed for this item.

Mayor Manross closed public testimony.

12. Modification to Engineering Services Contract (Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway) to add design services for the public infrastructure required to serve the Lund Cadillac Parcel.

Request: Authorize modification to Engineering Services Contract No. 2002-144A-COS with Dibble & Associates in the amount of \$170,403.00 for the design of public infrastructure improvements including:

- Union Hills Drive roadway improvements from Scottsdale Road to the 74th Street alignment,
- Landscape improvements within the right-of-way and scenic corridor easement along Scottsdale Road from Union Hills Drive to the Loop 101 Freeway, and;
- Drainage improvements for conveying storm water from the two concrete box culverts under the Loop 101 Freeway around the eastern perimeter of the Lund Parcel and reconnecting to existing drainage channels south of Union Hills Drive.

Related Policies, References: Economic Vitality Strategic Plan

Staff Contact(s): Annette Grove, Sr. Project Manager, (480) 312-2399, agrove@ScottsdaleAZ.gov

Mayor Manross opened public testimony.

Norwood Sisson, 7431 E. Portland, stated his belief that this item represents a constitutional problem since gifts to corporations are prohibited.

Mayor Manross closed public testimony.

VICE MAYOR ORTEGA MOVED TO APPROVE ITEMS 9 AND 12. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 6/0.

REGULAR AGENDA

13. **Engineering Services Contract for design of the Water Campus Phase 3 Expansion.**

Request: Authorize Engineering Services Contract No. 2003-007-COS with Damon S. Williams Associates, L.L.C. (DSWA) in the amount of \$2,065,336.00 for the final design of the Water Campus Phase 3 Expansion.

Related Policies, References: Engineering Services Contract No. 2001-167-COS, for concept design of Water Campus expansion, approved by City Council on November 26, 2001; Wastewater System Master Plan, approved by City Council on October 15, 2001.

Staff Contact(s): Alison Tymkiw, Sr. Project Manager, (480) 312-7985, atymkiw@ScottsdaleAZ.gov; Joe Gross, Water Resources Director, (480) 312-5628, jgross@ScottsdaleAZ.gov

Mr. Gross presented the history of the water campus, which was designed to accommodate an expanding population by expanding the facility in phases.

Prior to the consideration of the facility, all wastewater treatment for the city was provided by Phoenix. When presented with options for the future, the city had to consider that it would have to spend tens of millions of dollars to expand the City of Phoenix's treatment plant to accommodate Scottsdale's increased flows. He noted that all the sewer lines along the north/south streets would also have to be replaced. Also recognized, was the fact that the city would lose the wastewater, which is a valuable resource.

He explained that the city decided to build their own facility rather than continue to use Phoenix's services. The facility was designed to accommodate planned expansions in phases to serve the growing population base in the city.

He explained that new technology called disk filters are proposed that would allow the city to filter more wastewater than the conventional method was able to process. This new technology would enable the city to expand the water campus in its existing footprint; however, the capacity of facility would increase to twenty million gallons per day rather than sixteen million gallons per day as planned. He indicated that the city's master plan efforts have validated that the wastewater flow projects would reach approximately twenty four million gallons per day by the year 2016-2018. Proceeding with this plan, the expansion can be accomplished for the same estimated price, although the capacity would significantly increase from what the previous technologies would have allowed. It would also allow the city to extend the next expansion phase out to the year 2013-2014 and may even eliminate one phase. He surmised that use of the new technology might even eliminate the need for a parcel of land earmarked for the facility's expansion.

He explained that the item before Council tonight is an engineering contract that will finalize the design of the expansion. The design is estimated to take a little over a year, followed by the bid process that will take approximately 3 months. At that time, a construction contract would have to be approved by City Council, hopefully, in the summer of 2004. Thus, the expansion should be complete in approximately 18 months.

In response to questions from Councilman Silverman, Mr. Gross explained that an evaluation of each of the three proposals that were received was attached to the Council Action Report. He clarified that the city is required by law to use qualifications as the basis for selecting a firm not a bid amount. It is a subjective process where selection is not determined by a low bid. A consultant is selected based upon their qualifications to advance the project. Once selected, negotiations begin for the scope of work defined.

Ms. Dolan added that the process described by Mr. Gross is in compliance with state law. The city cannot make a decision based upon costs; however, if the city makes a decision based upon qualifications and cannot agree upon a price, the city would not be obligated to finalize a contract with the firm.

Councilman Ecton explained that he shares the concerns raised by Councilman Silverman regarding the bid process; however, he understands the city is following state law. He noted that bids received for construction projects sometimes have a tremendous span between the lowest and highest bid, although the companies bidding could all complete the job. He felt there is a need to get the state law changed.

Councilman Ecton questioned the need for the expansion of the facility. Mr. Gross explained that the facility treats all wastewater in the city north of Double Tree Road. As the population grows, the amount of wastewater also increases. If the wastewater flows exceed the capacity of the water campus, raw sewage will be discharged in the streets from the manholes. He stressed that the city must stay ahead of the curve as far as wastewater treatment goes.

The significant thing about this facility is that, the treated wastewater is purchased for the full cost of treating the water for irrigation by 22 golf courses. In the wintertime, when irrigation needs are less, the water is sent to the city's advanced water treatment facility. There the water is further purified and recharged into the ground. The water then credits towards the city's requirements for the Arizona Groundwater Management Act and adds long-term drought protection. Mr. Gross noted that the golf courses do not participate in the costs for the advanced water treatment.

Responding to questions from Mayor Manross, Mr. Gross confirmed that development fees and water resource development fees would fund these improvements. He added that development fees fund the expansion of the plant since it is necessary due to growth.

Vice Mayor Ortega questioned the parameter that would be used if the new technology allowed a piece of property that was slated for expansion to be sold. Ms. Dolan explained that, typically, if the city sells land or equipment as surplus, a minimum price is set by the city. Typically, the highest bid would be chosen as long as the minimum bid was received.

VICE MAYOR ORTEGA MOVED TO AUTHORIZE ENGINEERING SERVICES
CONTRACT NO. 2003-007-COS WITH DAMON S. WILLIAMS ASSOCIATES, L.L.C.
(DSWA) IN THE AMOUNT OF \$2,065,336.00 FOR THE FINAL DESIGN OF THE WATER

CAMPUS PHASE 3 EXPANSION. COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 6/0.

Public Comment - None

City Manager's Report - None

Mayor and Council Items

Councilwoman Lukas requested that an item be placed on a workstudy session agenda to consider the city's options to address homeless people around parks and homes.

Vice Mayor Ortega inquired as to the status of a staff compiled white paper he requested outlining cities' participation in development projects as well as what involvement the City of Scottsdale may have in the future with developments. Ms. Dolan explained that the report would be issued this week to the Council. It took some time to compile the paper since many of the cities have practices and not policies.

Adjournment of the City Council Meeting (7:08 P.M.) and Convening of the:

**DC Ranch Community Facility District of Scottsdale, Arizona Board of Directors
Agenda Attached**

SUBMITTED BY:

Ann Eyerly, Council Recorder

REVIEWED BY:

Deputy City Clerk, Carolyn Jagger

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 3rd day of February 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this _____ day of February 2003.

CAROLYN JAGGER
Deputy City Clerk